

Combined Utility System Fund  
For the period ended December 31, 2007  
(amounts expressed in thousands)

	Unaudited Preliminary FY2007	Adopted Budget	Current Budget	FY2008 YTD	Controller's Projection	F&A Projection
<b>Operating Revenues</b>						
Water Sales	\$ 317,640	\$ 350,277	\$ 350,277	\$ 168,345	\$ 338,176	338,176
Sewer Sales	296,885	324,530	324,530	153,294	310,642	310,642
Penalties	6,736	6,300	6,300	4,137	8,200	8,200
Other	5,742	6,794	6,794	3,001	6,175	6,175
Total Operating Revenues	<u>627,003</u>	<u>687,901</u>	<u>687,901</u>	<u>328,777</u>	<u>663,193</u>	<u>663,193</u>
<b>Operating Expenses</b>						
Personnel	123,056	139,181	139,181	60,957	130,907	130,907
Supplies	36,023	34,162	34,162	16,414	36,926	36,926
Electricity and Gas	65,454	66,665	66,665	32,596	66,487	66,487
Contracts & Other Payments	96,896	101,114	101,114	39,782	101,114	101,114
Non-Capital Equipment	1,652	4,433	4,433	184	4,208	4,208
Total Operating Expenses	<u>323,081</u>	<u>345,555</u>	<u>345,555</u>	<u>149,933</u>	<u>339,642</u>	<u>339,642</u>
Operating Income (Loss)	<u>303,922</u>	<u>342,346</u>	<u>342,346</u>	<u>178,844</u>	<u>323,551</u>	<u>323,551</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	21,232	19,453	19,453	11,720	22,000	22,000
Sale of Property, Mains and Scrap	4,626	2,268	2,268	1,630	2,458	2,458
Other	8,600	7,790	7,790	6,490	8,008	8,008
Impact Fees	20,999	21,578	21,578	12,537	27,134	27,134
HAWC	(8,999)	0	0	8	0	0
CWA & TRA Contracts (P & I)	<u>(32,875)</u>	<u>(32,642)</u>	<u>(32,642)</u>	<u>(26,220)</u>	<u>(32,642)</u>	<u>(32,642)</u>
Total Nonoperating Rev (Exp)	<u>13,583</u>	<u>18,447</u>	<u>18,447</u>	<u>6,165</u>	<u>26,958</u>	<u>26,958</u>
Income (Loss) Before Operating Transfers	<u>317,505</u>	<u>360,793</u>	<u>360,793</u>	<u>185,009</u>	<u>350,509</u>	<u>350,509</u>
<b>Operating Transfers</b>						
Debt Service Transfer	259,389	287,539	287,539	140,277	279,249	279,249
Transfer to PIB - Water & Sewer	24,651	26,066	26,066	4,241	26,066	26,066
Discretionary Debt-Stormwater	0	0	0	0	0	0
Pension Liability Interest	4,566	4,566	4,566	1,126	4,566	4,566
Equipment Acquisition	7,772	17,270	17,270	1,468	17,430	17,430
Transfer to Stormwater	34,056	37,735	37,735	17,750	37,735	37,735
Total Operating Transfers	<u>330,434</u>	<u>373,176</u>	<u>373,176</u>	<u>164,862</u>	<u>365,046</u>	<u>365,046</u>
Net Current Activity						
Operating Fund Only	<u>\$ (12,929)</u>	<u>\$ (12,383)</u>	<u>\$ (12,383)</u>	<u>\$ 20,147</u>	<u>\$ (14,537)</u>	<u>\$ (14,537)</u>

**About the Fund:**

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.